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ACTION ARA-00

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R 281932Z MAY 87 FM AMEMBASSY BOGOTA TO SECSTATE WASHDC 7163

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STATE PLS PASS OPIC

E.O. 12356: N/A
TAGS: EPET, EINV, CO
SUBJECT: VISIT TO CANO LIMON

- 1. ECON COUNSELOR AND ECONOFF VISITED THE CANO LIMON OIL FIELD AND THE TOWN OF ARAUCA MAY 20 AS GUESTS OF OCCIDENTAL PETROLEUM.
- 2. THIS WAS THE COUNSELOR'S THIRD VISIT TO THE AREA, AND A LOT OF CHANGES HAVE OCCURRED OVER THE PAST 21 MONTHS. THE ROUGH OIL CAMP SEEN IN AUGUST 1985 HAS LARGELY GIVEN WAY TO MORE PERMANENT BUILDINGS, MANY OF THEM AIRCONDITIONED. ALL ELECTRICAL POWER FOR THE PRODUCTION AND PUMPING FACILITIES IS PRODUCED BY AN IN-HOUSE GENERATING PLANT WHICH OPERATES ON FUEL OIL PRODUCED AT THE FIELD.
- 3. PRODUCTION FACILITY NO. 1 (PF-1), WHICH CURRENTLY GATHERS OIL FROM 12 PRODUCING WELLS (AND MORE DEVELOPMENT WELLS ARE BEING DRILLED), SEPARATES WATER FROM THE CRUDE AND CAN PROCESS ABOUT 100,000 BPD OF OIL. PF-1 ALSO CONTAINS THE GAUGES (REFERRED TO BY OCCIDENTAL AS FISCALIZATION DEVICES) WHICH MEASURE THE LIMITED OFFICIAL USE

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ACTUAL RATE OF PRODUCTION COMING INTO THE FACILITY, THE AMOUNT OF CRUDE USED IN OPERATIONS, AND THE AMOUNT OF CRUDE ACTUALLY SHIPPED THROUGH THE PIPELINE. PF-1 NOW HAS A LIVING COMPLEX WITH A GYMNASIUM, MOTEL-TYPE

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UNITED STATES DEPARTMENT OF STATE REVIEW AUTHORITY: OSCAR J. OLSON DATE/CASE ID: 29 OCT 2002 200201334

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SLEEPING ACCOMMONDATIONS FOR 96 PEOPLE, AND AN CONDITIONED AREA WITH CAFETERIA, TV ROOM, ETC. PRODUCTION FACILITY NO. 2 (PF-2) WAS NOT VISITED, BUT OXY OFFICIALS SAID IT WAS SIMILAR TO PF-1. PF-2 IS NOW COLLECTING FROM 14 WELLS (WITH MORE BEING DRILLED), AND HAS A CAPACITY OF 150,000 BPD OF OIL ACCORDING TO OXY LITERATURE. A MAJOR NEW ELECTRICAL GENERATING FACILITY IS UNDER CONSTRUCTION AT PF-2 WHICH WILL SUPPLY SUFFICIENT ELECTRICAL POWER TO MEET THE NEEDS OF BOTH PF-1 AND PF-2 AND ALLOW THE ASSOCIATION PARTNERS TO GIVE POWER TO ARAUCA. THIS PLANT WILL ALSO OPERATE ON FUEL OIL PRODUCED BY THE FACILITY.

- 4. PF-1 IS ADJACENT TO PUMP STATION NO. 1 (PS-1) WHICH HAS FIVE LARGE COMPUTER-CONTROLLED, FUEL OIL-DRIVEN PUMP UNITS. NORMALLY, ONLY THREE OR FOUR UNITS ARE IN OPERATION WITH THE OTHERS ON STAND-BY. DURING THE VISIT, EVERY THING WAS OPERATING SMOOTHLY, AND OIL WAS BEING PUMPED AT THE RATE OF 196,000 BPD RECENTLY APPROVED BY ECOPETROL. THE PIPELINE SYSTEM CAN CARRY UP TO 250,000 BPD AT FULL CAPACITY, WHICH OXY OFFICIALS HOPE ECOPETROL WILL EVENTUALLY APPROVE.
- 5. THE ENTIRE SYSTEM IS MONITORED BY COMPUTER SENSORS WHICH CAN DETERMINE THE GENERAL AREA OF A BREAK IN THE LINE BY CHANGES IN LINE PRESSURE. TO ACTUALLY FIND A BREAK, OCCIDENTAL SENDS HELICOPTERS AND WORK TEAMS TO FIND THE ACTUAL BREAK-SITE. THE COMPUTER SYSTEM CAN ALSO MONITOR ALL OPERATIONS OF THE PUMPING STATIONS LIMITED OFFICIAL USE

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ALONG THE PIPELINE. THE ENTIRE OPERATION IS LINKED BY A MICRO-WAVE RELAY SYSTEM WHICH HAS TERMINALS IN PF-1, BOGOTA AND COVENAS (OIL SHIPPING FACILITY). IF A LINK CANNOT BE MADE BETWEEN PF-1 AND COVENAS, A COMMUNICATIONS LINK CAN BE MADE THROUGH BOGOTA, ASSURING CONTINUOUS COMMUNICATIONS BETWEEN PRODUCTION FACILITIES, AND THE COVENAS OIL-SHIPPING TERMINAL.

6. SECURITY IN THE PRODUCTION AND PS-1 FACILITIES APPEARS TO BE FAIRLY GOOD, AND THERE HAVE NOT BEEN ANY GUERRILLA INCIDENTS IN THESE AREAS FOR ABOUT TWO YEARS. ALL RECENT ATTACKS HAVE BEEN FURTHER ALONG THE PIPELINE. THERE ARE ARMY AND POLICE CAMPS ON THE PERIMETER OF THE GENERAL AREA, BUT NOT MANY

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SOLDIERS/POLICE WERE IN EVIDENCE. DRIVING AROUND THE AREA, SEVERAL PERMANENT CHECK POINTS WERE SEEN, BUT THEY WERE NOT MANNED. SECURITY WITHIN THE FACILITIES IS HANDLED BY UNARMED OXY PERSONNEL, WHO MADE RATHER PERFUNCTORY ATTEMPTS TO CHECK ID'S OF PERSONNEL ENTERING THE AREAS. REGULAR OXY EMPLOYEES ALL SEEMED TO BE WEARING PHOTO-ID BADGES, BUT NO BADGES WERE GIVE TO VISITORS. A DOUBLE CYCLONE FENCE, WITH LASER MOTION DETECTORS BETWEEN THEM, IS TO BE BUILT AROUND PF-1/PS-1.

7. IN ARUCA, OXY HAS LEASED A SCHOOL BUILDING FOR USE AS A TECHNICAL TRAINING CENTER. THE LOCAL POPULATION HAD COMPLAINED THAT ALL THE OIL-FIELD JOBS WERE GOING TO OUTSIDERS, SO THE ECOPETROL/OXY/SHELL PARTNERSHIP DECIDED TO SET UP A TECHNICAL TRAINING PROGRAM IN COOPERATION WITH SENA, THE NATIONAL APPRENTICE SERVICE. ABOUT 150 LOCAL HIGH SCHOOL GRADUATES HAVE BEEN GIVEN 3-4 MONTHS OF BASIC TECHNICAL SCHOOLING BY SENA, THEN

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4-6 MONTHS OF SPECIFIC TRAINING AT THE CENTER IN HYDRAULICS, PUMPS, ELECTRICAL SYSTEMS, ETC. ABOUT 120 GRADUATES OF THE PROGRAM CURRENTLY WORK IN THE OIL FIELD OR ON THE PIPELINE. GILLESPIE

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